CA - PMM

Project Name: Medi-Cal Eligibility Data System (MEDS) Modernization

OCIO Project #:
Department: Department of Health Care Services
Revision Date: 9/15/10

Concept Statement

Description

Brief description of the proposed project:

The proposed project is to modernize the Department of Health Care Services' (DHCS) Medi-Cal Eligibility Data System (MEDS) and its enrollment processes to achieve a more secure, efficient, and maintainable system that supports secure information exchange with other systems, the integration of statewide automated enrollment in California's health care and social service programs, and maximizes enhanced Federal Financial Participation (FFP). The modernization of this critical statewide system will improve California's ability to track, report, and claim maximum federal funds for the more than 7 million Medi-Cal subscribers and the nearly one million Healthy Families subscribers. Modernization will improve the existing interfaces with California's 58 local counties which establish eligibility for Medi-Cal, the Medi-Cal Fiscal Intermediary that pays Medi-Cal fee-for-service claims, Medi-Cal Health Care Options that administers the Managed Care plan selection and enrollment process, and the Single Point of Entry which establishes presumptive eligibility for Medi-Cal and State's Children Health Insurance Program (SCHIP) eligibility.

Need Statement

High Level Functional Requirements:

A modernized MEDS will enable common service availability within a central repository of shared business rules and processes. Some of these business processes will serve the State with identification and authentication and other common exchanges of information. It will provide:
• Flexible data independence to accommodate change and new business requirements.
• Cohesive and continued interface functionality with the State, County and Federal entities operationally involved in the continuous data exchange or update efforts. A two-way interface sufficient to handle a high volume of statewide data traffic is needed between ITSD systems (including MEDS) and the Exchange to support implementation of the new Federal Health Care Reform law and its Health Care Benefit Exchange component. This includes accepting Medi-Cal referrals from the Exchange as well as referring non-Medi-Cal eligibles to the Exchange.
• Improved HIPAA data confidentiality and privacy and data transmission standards.
• Ability to meet state and federal reporting requirements.

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What is Driving This Need?
The MEDS implemented in 1983 has expanded to include 19 subsystems and 37 interfaces with their own business processes that currently share data resources because of the unique data standards. MEDS is currently the only statewide database that contains eligibility for public assistance programs administered by Department of Health Care Services (DHCS), California Department of Social Services (CDSS) and the Managed Risk Medical Insurance Board (MRMIB). Numerous human services programs also access the MEDS database to administer and provide services to mutual clients of Mental Health, Developmental Disability, Child Welfare and Children's Medical Services programs.   Due to pending HealthCare Reform (HCR), additional capacity is needed in MEDS to support an estimated 1-2 million additional Medi-Cal beneficiaries who will be added within several years after HCR is implemented (January 1, 2014). DHCS needs to position itself to handle the HCR changes. Currently, COBOL is the primary programming language in MEDS and the availability of qualified COBOL programmers has decreased over time. System changes must be done within the constraints of the antiquated COBOL programming language.

Risk to the Organization if This Work is Not Done:
MEDS is currently a stable system that can track, report, and claim maximum federal funds for the more than 7 million Medi-Cal subscribers and the nearly one million Healthy Families subscribers. However, the system's current architecture is preventing the department from efficiently meeting the demands of program, policy, state and federal legislative changes and court orders. In addition, many of the senior Subject Matter Experts (SMEs) of the MEDS system have announced plans to retire within the next five to eight years. These are individuals who have extensive knowledge of how policies and functionalities are inter-related and embedded in the MEDS application. Each year that the proposed project is delayed, the system's stability, flexibility, and supporting knowledge base is at risk. The 30+ year old technology also limits DHCS's ability to remain agile and flexible when addressing legislative mandates for system enhancements. The modernization of MEDS will enable the next generation of staffing resources to support the administration of the Medi-Cal program.

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Benefit Statement

Intangible Benefits

Process Improvements (describe the nature of the process improvement):

A modernized MEDS will not only create the foundation to enhance the Medi-Cal enrollment process, it will enable users to do multi-program application searches, verify their program eligibility status, enroll and re-enroll in multiple programs online, provide the validation of additional information on an application status (e.g. income, birth records) on-line via the Internet, improve process at the county, and establish pipelines to the consortia's welfare systems. This solution will provide streamlined enrollment processes that are consumer friendly and have a significant impact on reducing county administrative costs. County welfare departments perform the eligibility determination process for both applicants and recipients.

Other Intangible Benefits:

A modern MEDS with web-based technology will enable improvements in the enrollment process that will improve performance, timeliness, and provide better customer service to recipients. The ability to tap external data sources for eligibility verification of income and resources by combining new external data sources with current data sources will create a "one stop" view for caseworkers and information will be presented in a more user- friendly format. A new system will integrate new business solutions into the current workflow and enable an enhanced data flow among the county automated eligibility systems that does not currently exist.

Modernizing the MEDS system will also afford an architectural framework that is scalable, flexible, extendible, and maintainable allowing for DHCS to be agile in adjusting to legislative changes and Health Care Reform mandates.

Tangible Benefits

Revenue Generation (describe how revenue will be generated):

Currently, MEDS is not a revenue-generating application system. The modernized MEDS will continue to be the information technology support system for the Medi-Cal program. The business drivers are not anticipated to change to where the program will become revenue generating.

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Cost Savings (describe how cost will be reduced):

The institutional and technical knowledge is slowly being depleted as the Department is losing staff availability and expertise necessary to support the existing MEDS due to retirements. Understanding of core business rules and functionalities of MEDS is being lost as staff leaves the Department. These individuals have extensive knowledge of how policies and technology functionalities are inter-related and embedded in the MEDS application system. The Department has become more dependent on existing staff and contractors to support and enhance the existing MEDS, causing overtime and consulting costs to increase each fiscal year.

A modernized MEDS will enable the Department to develop the next generation of staffing resources to support the administration of the Medi-Cal program. A modernized MEDS built on the latest technology will encourage, entice, and retain the Department's skilled staff to remain within the Department and provide the knowledge continuity that is critical to the Medi-Cal program. Ability to retain staff will also enable the Department to utilize the training fund more efficiently by focusing on developing advance technology skills rather than educating new employees.

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Cost Avoidance (describe the cost and how avoided):

A modernized MEDS will prevent the Department from losing enhanced federal funding for any future MEDS changes due to inability to comply with the Medicaid Information Technology Architecture (MITA) specified by the Center for Medicare and Medicaid Services (CMS). MITA is a national framework designed to foster integrated business and IT transformation across the Medicaid enterprise to improve the administration of the Medicaid program. If the Department fails to comply with CMS, General Fund costs will be increased in order to provide on-going support of MEDS including enhancement changes to meet legislative mandates.

Risk Avoidance (describe the risk and how avoided):

A modernized MEDS will also prevent the Department from losing credibility as the state attempts to support the $37 billion Medi-Cal program with a 30+ year old system that does not utilize modern cost effective technology and loses opportunities to become more cost effective and efficient in maintaining and securing data necessary to administer the program. In addition to the risk of losing enhanced FFP, there is significant risk of MEDS' viability to continue to operate as interfaces with other statewide programs will be lost as these programs expand and renew their platforms causing MEDS to become even more obsolete.

A modernized MEDS system will help insure DHCS is positioned to proactively address the changing Health Care Industry requirements.

Improved Services:

A modern MEDS with web-based technology will enable improvements in the enrollment process that will enhance performance, timeliness, and provide better customer service to the more than 7 million Medi-Cal recipients.

Consistency

"No" Responses	➡	Rationale	Action Required
Enterprise Architecture	Yes		
Business Plan	Yes		
Strategic Plan	Yes		

Impact to Other Entities

Nature of Impact to Other Entities

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Entity: Agency
Describe the nature of the impact:
Impact: MEDS is currently the only statewide database that contains eligibility for public assistance programs administered by DHCS, the California Department of Social Services (CDSS) and the Managed Risk Medical Insurance Board (MRMIB). In addition, numerous human services programs also access MEDS to administer and provide services to mutual clients of Mental Health, Developmental Disability, Child Welfare and Children's Medical Services programs. Any modernization effort will be a significant impact to these departments.

Entity:
Describe the nature of the impact:

Entity:
Describe the nature of the impact:

Entity:
Describe the nature of the impact:

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Solution Alternatives

Alternative 1:
Alternatives have yet to be defined. As the Department completes the feasibility study and develops the Feasibility Study Report (FSR) and/ the Advanced Planning Document (APD), alternatives will be defined and a solution will be recommended.

Technical Considerations for Alternative 1:
ROM Cost: $250,000,000 to $310,000,000   **Note: high end of range must not exceed 200% of low end of range**

Alternative 2:

Technical Considerations for Alternative 2:
ROM Cost: to   **Note: high end of range must not exceed 200% of low end of range**

Alternative 3:

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Technical Considerations for Alternative 3:
ROM Cost: to   **Note: high end of range must not exceed 200% of low end of range**

Recommendation

Comparison:

Alternative 1	ROM Cost		Risk
	$250,000,000	- $310,000,000	
Alternative 2	**ROM Cost**		**Risk**
	$0	- $0	
Alternative 3	**ROM Cost**		**Risk**
	$0	- $0	

Conclusions:

1	
2	
3	
4	

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Recommendation:

Project Approach *(if known)*

System Complexity:			System Business Hours: *(e.g., 24x7, 9am-5pm)* : 24x7	
Architecture	☑ Mainframe	☑ Client Server	☑ Web Based	Num. of New Databases:
Technology	☑ New	☑ New to Staff	☑ In-House Experience	Interfaces:
Implementation	☐ Central Site	☐ Phased Roll-out		Num. of Sites:
M & O Support	☑ Contractor	☑ Data Center	☐ Project ☐ In House	

Procurement Approach:

Number of Procurements:

Open Procurement?	Yes	Delegated Procurement?

Scope of Contract	☑ Development	☑ Implementation	☑ M & O	☐ Other:

Anticipated Length of Contract: Unclear at this time Years / _____ extensions for 5 years